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INTRODUCTORY REMARKS BY THE DIRECTOR
Before Subcommittee of The House Armed Services Committee,
28 July 1966

Mr. Chairman, I am happy to appear before your Subcommittee to discuss H. R. 16306, a bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes." I am appreciative, Mr. Chairman, that you gentlemen have taken time from your busy schedules to work with us on this bill which we regard as important in the future operations of the Agency.

Before talking about this bill, I want to thank you for the very considerable help you gave us in passing the CIA Retirement Act in the last Congress. I would like to give you a brief report on our progress under the terms of this Act.

As you know, the President approved it in October 1964. But our internal regulation for administering it had to be cleared with the Bureau of the Budget, your Committee, and the Senate.

In addition, Mr. John McCone, the then Director, sought the advice of an independent panel of attorneys on our regulation before giving it to you for review. Messrs. Mortimer M. Caplin, Fowler Hamilton, and Stewart L. Pittman were appointed and they submitted their report on 19 February 1965 advising the Agency that in their

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opinion the regulation was consistent with the letter and spirit of the law.

Your Chairman and the ranking minority member gave us prompt approval. Unfortunately, the illness of Senator Saltonstall delayed his review and we did not have a final go-ahead until late April. The regulation was then authenticated for issuance by the Director of Central Intelligence on 27 April 1965.

A CIA Retirement Board of nine senior officials, chaired by our Director of Personnel, was established to review the records of employees on duty and identify those eligible to participate in this special retirement system.

The screening job has been time consuming. It involved a careful and painstaking review of [REDACTED] employee records. We have now finished [REDACTED] have been determined to be eligible for participation in the system.

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Of this number, 65 are beneficiary cases. This total includes 29 voluntary retirements, 21 mandatory age retirements, 2 disability retirements, and 13 deaths in service. The average age of our voluntary retirees was a little under 53. The average length of qualifying service for both voluntary and mandatory retirees was over

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7 years, average length of Agency service was 16 years, and the average length of total Government service for both categories was almost 25 years.

It is too early to make a firm determination that this retirement system will meet all of our contemplated objectives. Our experience to date, however, has been most encouraging.

Mr. Chairman, with your permission I would now like to turn briefly to the bill before you today. It has two basic purposes. First, there are a number of minor amendments to this retirement bill of ours which are necessary to keep the system in step with Government-wide concepts of retirement, such as modifications to the automatic cost-of-living adjustments. The second purpose is to update and clarify some of our administrative authorities granted in the Central Intelligence Agency Act of 1949. These involve such items as travel expenses for employees, home leave, and medical expenses in foreign countries. This particular group of amendments was before this Subcommittee in 1964 and was included in our early retirement package. Because of the importance attached to early retirement, this Subcommittee suggested that consideration of the administrative items be deferred. I would like to emphasize that with one or two minor exceptions, which will be

identified by Colonel White, each of the specific amendments proposed here is provided elsewhere in law for other departments and agencies. Thus, we are not breaking new ground or establishing precedents.

Today I have with me Colonel White, our Executive Director,

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They will go into details of the various provisions of this legislation and will, I am sure, be able to answer any questions you may have about the bill before you.

If I may ask your indulgence, I would like to be excused to join another important meeting which, unfortunately, conflicted with your meeting this morning. I have asked Colonel White to present our proposals to you in detail. I would add only that I believe this bill is essential to the needs of our Agency and I stand ready at your call to discuss any of these items with you.

Thank you for giving me this opportunity to appear.

- SECTION TITLES -

TITLE I "Central Intelligence Agency Act Amendments of 1966"

Section 101 - Short Title

Section 102 - Procurement Authorities

Section 103 - Travel, Allowances and Related Expenses

Section 104 - Rest and Recuperation Travel

Section 105 - Dependents Accompanying an Employee on Temporary Duty

Section 106 - Home Leave

Section 107 - Hospitalization and Travel for Medical Treatment

Section 108 - Orientation and Language Training for Dependents

Section 109 - Advisory Personnel

Section 110 - Reemployment Rights

Section 111 - Claims Authority

Section 112 - (a) Renumbering
(b) Authority to Accept Gifts

TITLE II "Central Intelligence Retirement Act Amendments of 1966"

Section 201 - Short Title

Section 202 - Definition "Child"

Section 203 - Widow's Annuity

Section 204 - Child's Annuity

Section 205 - Annuity Commencement Date

Section 206 - Transfer of Contributions

Section 207 - Reemployment of Annuitants

Section 208 - Cost-of-Living Adjustment

TITLE III Miscellaneous

Section 301 - Federal Employees Pay Act